

801.46

May 13, 1988

BY HAND


Mr. Victor Cohen
Premerger Notification Office
Federal Trade Commission
Room 303
Washington, D.C. 20580

Dear Mr. Cohen:

This will confirm our telephone conversation of yesterday, in which we discussed the question whether the acquisition of an interest in an existing partnership is subject to the premerger notification requirements of the Hart-Scott-Rodino Act. You indicated that such an acquisition is not covered by the Hart-Scott-Rodino requirements because it is neither an acquisition of "assets" nor an acquisition of "voting securities" within the meaning of the Act and its implementing regulations.

As you noted, this treatment for acquisitions of partnership interests accords with the treatment given to the formation of a new partnership. The formation of a new partnership is not subject to the Hart-Scott-Rodino requirements. 16 C.F.R. § 801.40. And the acquisition of an interest in an ongoing partnership may be viewed as the functional equivalent of the formation of a new partnership.

You advised that the only exceptions to the general rule that an acquisition of an interest in an existing partnership is not subject to the Hart-Scott-Rodino Act might be (1) if the acquisition involves a transfer of a 100-percent interest in the partnership, which the Premerger Office views as the equivalent of a transfer of the underlying assets of the partnership or (2) if the partnership interest has unusual attributes (e.g., it is traded on national exchanges or carries voting rights) that make it the equivalent of a block of voting securities. Aside from those possible exceptions,


Mr. Victor Cohen
May 13, 1988
Page 2

however, there is no premerger notification reporting requirement for the acquisition of an interest in an existing partnership.

Please let me know if I have not accurately summarized our conversation.

Sincerely,


5-13-88
Mr. Cohen
You know mergers & joint ventures in
the form of a partnership are not exempt
& there may be the possibility that
are not exempt.
Victor Cohen